STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of Joe Manchin, III, Governor of West Virginia	Applicant's Mailing Address: 1900 Kanawha Blvd., E. Charleston, WV 25305
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Emily Castleberry Position and Office: Deputy Director of Policy Contact's Mailing Address: 1900 Kanawha Blvd., E. Charleston, WV 25305 Telephone: (304) 558-2000 Fax: (304) 558-4983 E-mail address: Emily.B.Castleberry@wv.gov	State Contact for the Government Services Fund (CFDA No. 84.397) *(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)* Same

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): **Joe Manchin, III**	Telephone: **(304) 558-2000**
Signature of Governor or Authorized Representative of the Governor:	Date: January 8, 2010

Recommended Statement of Support from the Chief State School Officer *(Optional)*: The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): **Dr. Steven L. Paine**	Telephone: **(304) 558-2681**
Signature of the Chief State School Officer:	Date: January 8, 2010

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

o A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See* Appendix C – Instructions for Part 4: Maintenance of Effort.

1. **Levels of State support for elementary and secondary education** *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

   FY 2006 $1,590,407,235

   FY 2009* $1,721,793,398

   FY 2010* $1,690,025,475

   FY 2011*   **Not available at this time, but will keep at or above FY2006 level**

   (* Provide data to the extent that data are currently available.)

2. **Levels of State support for public institutions of higher education** *(enter amounts for each year)*:

   FY 2006 $303,171,149

   FY 2009* $358,761,867

   FY 2010* $336,644,435

   FY 2011*   **Not available at this time, but will keep at or above FY2006 level**

   (* Provide data to the extent that data are currently available.)

3. **Additional Submission Requirements:** In an attachment to the application –

   (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -

   (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

1. **Levels of State Support for Elementary, Secondary, and Postsecondary Education**

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

(a) Level of State support for elementary and secondary education in FY 2008 provided through the State's primary elementary and secondary education funding formulae
$1,680,312,324

(b) Level of State support for public IHEs in FY 2008
$340,367,599

(c) Level of State support for elementary and secondary education in FY 2009 provided through the State's primary elementary and secondary education funding formulae
$1,721,793,398

(d) Level of State support for public IHEs in FY 2009
$358,761,867

(e) Level of State support for elementary and secondary education in FY 2010 provided through the State's primary elementary and secondary education funding formulae
$1,770,613,663 enacted
$1,690,025,475 actual

(f) Level of State support for public IHEs in FY 2010
$336,644,435

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

     x Yes   No

* *See* Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

o At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.

o The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.

o Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009   **$0**

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009   **$0**

Restoration Amounts (continued)

(c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010

$80,588,188

(d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010

$22,117,432

(e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010

$115,265,350

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

SPECIAL NOTES:

o Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).

o In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available).   The total percentages in the chart should equal 100 percent.

o To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

Category	Estimated Percentage of Funds to Be Used
Public Safety	8
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	26
Public IHEs (excluding modernization, renovation, or repair of IHEs)	1
Modernization, renovation, or repair of public school facilities	17
Modernization, renovation, or repair of IHEs	0
Medicaid	0
Public assistance	0
Transportation	0
Other (please describe) **Economic development initiatives/Assistance for working families/Sm. Business Co-Op**	48
Undetermined	0
TOTAL	100%

Stabilization Funding for West Virginia

	FY2009		FY2010		
	Shortfall for K-12	Shortfall for IHE	Shortfall for K-12	Shortfall for IHE	Total
Original Application	$0	$0	$23,000,000	$9,863,806	$32,863,806
Revised Application	$0	$0	$80,588,188	$22,117,432	$102,705,620

State of West Virginia Maintenance of Effort

K-12	Original Application	Revised Application
FY2006	$1,590,407,235	$1,590,407,235
FY2009	$1,721,793,398	$1,721,793,398
FY2010	$1,747,613,663	$1,690,025,475
FY2011	n/a	n/a

State of West Virginia Maintenance of Effort

Higher Education	Original Application	Revised Application
FY2006	$303,171,149	$303,171,149
FY2009	$358,761,867	$358,761,867
FY2010	$348,898,061	$336,644,435
FY2011	n/a	n/a

West Virginia

On December 28, 2009, Governor Joe Manchin issued Executive Order 17-09, declaring all departments, agencies, bureaus, sections, boards, commissions, and other organization united within the Executive Branch of State Government shall take immediate action to effect a spending reduction of 3.4% of their combined General Revenue appropriations for fiscal year 2009-2010. The Secretary of the Department of Revenue, in conjunction with the State Budget Office, reported to the Governor monthly General Revenue Fund Collections for the first five months of the given fiscal year and this report showed the State of West Virginia had suffered a revenue shortfall and advised that current economic and fiscal trends would result in a year-end revenue deficit of approximately $120 million. The Constitution of the State of West Virginia requires a balance between revenues and expenditures for any given fiscal year.

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS
(CFDA No. 84.394)

SPECIAL NOTES:

o The calculations in the worksheets and the data provided in Section A of Part 5 of the application must be based on each State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the amount of the State's initial Education Stabilization Fund award.

o The term "postsecondary education" means public higher education.

WORKSHEET 1-A: Calculating the amount of a State's total Education Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation.	217,970,970
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008, or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	1,680,312,324
3.	Either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009.	340,367,599
4.	Actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	1,721,793,398
5.	Actual or projected amount of State support for public IHEs in FY 2009.	358,761,867
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	0
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	0
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009. If the amount on Line 8 is greater than the amount on Line 1, *see Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.*	0
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	0

10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	0
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009.	0
12.	Enter amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore State support for education in FY 2010. (This amount is carried over to Line 1 of Worksheet 2-A or Worksheet 2-B.)	217,970,970

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-B: Calculating the amount of a State's Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if, prior to October 1, 2008, the State enacted State elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter amount on Line 12 of Worksheet 1-A).	217,970,970
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on line 2 of Worksheet 1-A).	1,680,312,324
3.	Actual or projected amount that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on Line 4 of Worksheet 1-A).	1,721,793,398
4.	Enacted amount (including formulae increases and equity and adequacy adjustments enacted prior to October 1, 2008) that the State would provide through its primary elementary and secondary education funding formulae in FY 2010.	1,770,613,663
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	1,690,025,475
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	1,770,613,663
7.	If the amount on Line 5 is greater than the amount on Line 6, enter 0; if the amount on Line 6 is greater than the amount on Line 5, enter the difference.	80,588,188
8.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	358,761,867
9.	Projected amount of State support for public IHEs in FY 2010.	348,898,061
10.	If the amount on Line 9 is greater than the amount on Line 8, enter 0; if the amount on Line 8 is greater than the amount on Line 9, enter the difference.	22,117,432
11.	Enter the sum of the amounts on Line 7 and Line 10. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 11 is greater than the amount on than Line 1, *see Worksheet 2-D for Shortfall calculations and do not complete Lines 12, 13 and 14.*	102,705,620
12.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	80,588,188
13.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	22,117,432
14.	Enter the sum of the amounts on Line 12 and Line 13. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	102,705,620
15.	Enter the amount obtained by subtracting the amount on Line 14 from the amount on Line 1. This is the amount of the Stabilization funds remaining to	115,265,350

Line	Information	Amount
	use to restore funds in FY 2011. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-D: Shortfall Calculations for FY 2010 in cases in which the State enacted, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 1 of Worksheet 2-B).	217,970,970
2.	Total amount of shortfall in FY 2010 (Enter the amount on Line 11 of Worksheet 2-B).	102,705,620
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 7 of Worksheet 2-B).	80,588,188
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 10 of Worksheet 2-B).	22,117,432
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	78.5
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	21.5
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	80,588,188
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	22,117,432